

Postal Service drops direct mail efforts

Associated Press

WASHINGTON — Under fire from the newspaper industry, the U.S. Postal Service is dropping efforts to get more advertisers to use direct mail.

Postmaster General William J. Henderson announced Wednesday that the agency would abandon its "Auto Day" program, which had urged car companies to send out direct mailings so they would arrive on Fridays. The agency had planned to expand the month-old project, in its test phase in Milwaukee, to Baltimore in July.

But Henderson told the House Postal Service Subcommittee he did not want to increase the agency's revenue at the cost of newspapers.

"There is plenty of room for success for both the newspaper industry and the Postal Service," he said.

The Newspaper Association of America has spoken out against the campaign, saying the agency was using its government status to recruit business from advertisers.

In comments submitted to the House subcommittee, the NAA noted that "mailers who use, produce or sell advertising that competes with advertising mail are essentially paying for marketing efforts against themselves. The Postal Service's advertising and marketing campaign is not an appropriate function for a governmental agency."

New postal prices take effect Sunday

Thurs 1-7-99
By RANDOLPH E. SCHMID
Associated Press Writer

WASHINGTON — The cost of sending most letters will rise by a penny to 33 cents on Sunday despite a four-year run of strong profits by the U.S. Postal Service.

Postal officials said the increase is needed because rising costs are eating into income.

"After four years, we needed a small increase that was just enough to continue our investments to maintain quality customer and delivery service," said Frank P. Brennan, postal vice president for corporate relations.

It will also cost more to mail newspapers, magazines and most packages, although the price of mailing heavier letters will fall.

Sunday's increase had been expected to take effect last summer. It was postponed at the urging of the Postal Rate Commission and Congress, which noted the continuing strong profits being rung up by the Postal Service.

Catching up

Indeed, the post office made a profit of \$550 million for the fiscal year that ended in September, following three years of profits of more than \$1 billion. The Postal Service still faces about \$4 billion in losses accumulated since 1971.

John F. Robinson of the National Minority Business Council denounced the increase, saying the Postal Service did not offer "one



LAWRENCE K. HO/The Associated Press

Year of the hare: A new 33-cent stamp commemorating the Year of the Hare in a Lunar New Year series is displayed at a U.S. Postal Service counter selling first covers in the Chinatown section of Los Angeles Tuesday.

good reason" to justify it.

The first 33-cent stamp went on sale Tuesday, with first-day ceremonies in Los Angeles. The Chinese New Year stamp commemorates the year of the hare. In addition, there are millions of undenominated "H" rate stamps available at post offices to cover the 33-cent rate, as well as 1-cent stamps that can be added to leftover 32-centers.

Mail without enough postage will be delivered with postage due. If the recipient declines to pay the extra postage, the item will be returned to the sender. Most

businesses refuse postage-due items.

Bargain postage

Postal officials said the domestic rate is a bargain compared with many other countries. Germany charges the equivalent of 66 cents for first-class postage; Switzerland, 65 cents; France, 53 cents; Italy, 48 cents; and Britain, 44 cents. On the other hand, the rate is 30 cents in Canada and 23 cents in Mexico.

While the U.S. stamp price goes up for the basic one-ounce letter, there is a 1-cent

reduction — to 22 cents — for each additional ounce.

That means sending a 2-ounce letter would cost 55 cents, the same as now. A 3-ounce missive would cost 77 cents, a penny less than the rates that have been in effect since Jan. 1, 1995.

The new rates cover most types of mail. In other typical price changes, a priority mail package will rise from \$3 to \$3.20; and a basic parcel post package that cost \$2.42 to send will rise to \$2.74.

Sunday's rate increase does not affect international mail.



FRED FOX/The Associated Press

Stamp show: The "Celebrate The Century Express" is shown in Tampa, Fla. For the next 18 months, the bright yellow, four-car museum on wheels is to crisscross the country showcasing an exhibit of postage stamps celebrating America's 20th century march through history.

Postal train on 218,000-mile history tour

Flappers. The Model T. Mix-masters. The slinky. Woodrow Wilson.

All trigger nostalgia.

All also appear in oversized, glow-in-the-dark postage stamps adorning an unusual Amtrak train, a museum on wheels, showcasing America's march through the 20th century.

For the next 18 months, the bright yellow, four-car train is to crisscross the country displaying an exhibit of postage stamps with colorful images of people, places and events.

During a 218,000-mile, 40-state tour, people in 100 cities will get a chance to climb aboard the "Celebrate the Century Express" for a multimedia trip through history, learning about the postal service from the days of stage

coaches and the Pony Express, through the golden age of rail earlier this century, to present-day, overnight air deliveries.

On display is a private railway car with living, sleeping and dining quarters, showing a turn-of-the-century mode of travel that catered to the very rich — to industrialists, celebrities and high society.

Another car is a Railway Post Office car, outfitted as it was in the early 1900s. For 100 years, postal rail cars were the workhorses of the nation's intercity mail transportation system.

Rail mail delivery, dating back to the 1840s, actually predated the Pony Express.

Clerks rode the rails, sorting, even distributing mail in specially equipped cars while the train was moving. When a train chugged through a postal station, the engineer didn't even need to stop.

Instead, clerks used a hook to snag waiting mailbags from a pole and pull them aboard as the train clattered on through.

Today, railroads still move U.S. mail — carrying some 145,000 trailer loads annually in piggyback service.

The last car on the "Celebrate the Century Express" is a museum car housing a special stamp program, a series of 15 stamps commemorating people and trends for each decade of the 20th century. Themes include: Dawn of the 20th Century, America Looks Beyond its Borders, the Roaring '20s, World War II Transforms America, Man on the Moon.

The public is being invited to vote on its choices for stamp subjects to represent the 1990s. Those getting the most votes will be released nationwide as a 15-stamp package later in the year.

Ballots for possible com-

memorative stamps — which also are available in post offices throughout the country — may include people, events, arts, sports, science and technology and lifestyle.

U.S. Postal Service officials say eight million school children, ages 8 through 12, have been invited to take part in the stamp selection process.

Pulling out of Tampa, Fla., on March 11 to begin its journey, the Express headed for Alabama, Mississippi and Tennessee. In the Midwest it has stops scheduled in Illinois and Missouri, then it's on to California.

On a return leg, the train — emblazoned with large canceled post marks among the oversized stamps — turns east through Utah, Colorado, Nebraska, Iowa and Chicago, Indiana, Ohio, then south to Kentucky, North Carolina and West Virginia.

Postmaster general forecasts commercialization of agency

He also touts bill that would ease restrictions on the Postal Service

Associated Press

WASHINGTON — The future of the Postal Service in the Internet era is littered with uncertainties that will eventually make the agency more like a private company, Postmaster General William Henderson said Tuesday.

"I think the Postal Service ultimately will be commercialized," Henderson told editors and reporters of the Associated Press.

He said there was no pressure on the agency to change now because "there is no crisis," he said. "What has led to privatizations around the world, or commercializa-

tion... has been some sort of a crisis."

The Postal Service is a semi-independent part of the government overseen by a nine-member board of governors. It is not subsidized by tax money but is regulated and must provide universal service to every home at a flat rate. Postal officials have long sought more freedom to introduce new services and products and to have flexible rates like private businesses.

The post office has made a profit for five straight years and is recording record service performance, Henderson said.

"Our customers are content, they don't see the future. And the future, from my view, is filled with potential crises."

For example, he noted that the post office has annual revenues of \$63 billion, of which \$17 billion is from carrying bills and payments.

"Bills and payments will eventually go electronic. It's not if but when," he said.

He likened bills and payments to the anchor store of a shopping mall, the main



Postal work is in Postmaster General William Henderson's blood: Dad was postal worker.

attraction of the mall. People know something they need to see is in the mail. The second anchor is magazines, he said.

"If all you got was advertising mail, you probably wouldn't accept your mail," he said.

Another problem is that the post office

generates all of its profit in the first half of its fiscal year, beginning in September, then mail volume declines, and it begins losing money.

That makes budgeting and planning difficult, and under the law the agency can't offer volume discounts to large mailers to generate more business in the slow season, he said.

If volume declines, there will eventually come a point where legal requirements to break even over time will force the post office to raise prices, he said. That will hurt those in rural America who depend on universal postal service and who are not connected to the Internet.

There is a bill in Congress, HR22, which would ease some restrictions on the agency, but Henderson said there has not been a groundswell of support for it.

He is planning a speech Thursday before the Postal Customers Council in Providence, R.I., to raise interest in the bill, sponsored by Rep. John McHugh, R-N.Y.

The bill would give the post office pricing flexibility and the ability to stimulate growth but would still require the post office to maintain universal service.

Henderson also said:

- The post office has counseling programs, threat assessment teams and other efforts under way in an effort to prevent outbreaks of violence like those that have occurred in the past.

- The agency is launching a system for customers to pay their bills electronically via a Postal Service Internet site.

- The Breast Cancer stamp has raised \$13 million for research.

The post office is in Henderson's blood.

His late father was a postal worker who served as president of a union local. Henderson recalled working as a postal manager in Greensboro, N.C., and regularly visiting his parents in Asheville, N.C.

His mother would try to get father and son — union and management — to stop talking post office matters.

FedEx to transport Postal Service mail

Company will handle express, priority items

New York Times News Service

WASHINGTON — FedEx said Wednesday that it would transport mail for the U.S. Postal Service.

The agreement will also allow FedEx to place collection boxes at post offices around the country.

The Postal Service will pay FedEx about \$6.3 billion over the next seven years for the service, which is scheduled to begin in August.

"The United States Postal Service will gain a single air transportation provider for most of its express and priority mail," said Frederick W. Smith, president of FedEx. "FedEx will gain an expanded retail network to grow our business."

The U.S. Postal Service has long been searching for a single company to handle its express and priority mail. That job is now handled primarily by Emery Worldwide Airlines. But postal officials said today that the deal with Emery was too costly and inefficient.

"Right now we lease airplanes," said Postmaster General William J. Henderson. With the new agreement, "we are renting space."

Henderson said the new agreement should provide savings of more than \$1 billion for the Postal Service. Postal officials estimated that delivering each pound of mail will cost



Postmaster General William J. Henderson, left, and Frederick W. Smith, president of FedEx, shake hands Wednesday on the two entities' agreement.

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about two-thirds what it does today.

FedEx will carry up to 3.5 million pounds of Postal Service mail a day, or the capacity of about 30 wide-body DC-10 airplanes. To meet the demand, FedEx is expected to

hire some 500 new pilots and about 1,000 new mechanics and cargo handlers. It may also add three airplanes to its fleet.

FedEx said that it would begin placing the collection boxes at post offices in February. Over an 18-month period, it

expects to install more than 10,000 boxes.

The agreement does not prevent the Postal Service from allowing other companies to place collection boxes in post offices.

The Postal Service said that

it would continue to transport the bulk of its first-class mail and some of its priority and express mail on commercial airlines. It also said that the deal with FedEx did not mean it could not make deals with any of its competitors.

County's first female to tote mail recalls rough start in 1968

'Gutsy girl' says some co-workers were hostile to her

By Lynn Arave
Deseret News staff writer

Mail carriers have a tough job, contending daily with vicious dogs, harsh weather and impolite motorists. But Barrie Frankland faced some extra challenges when she started in 1968.

She was a maverick, the first female letter carrier in Salt Lake County.

Frankland, 57, retired Friday after more than 32 years with the Postal Service. She was honored Friday morning by her colleagues at the Postal Service's Custer Street annex, near 1750 South and 2500 West.

"This is the true American feminist," Tom McPartland, president of branch 111 of the Association of Letter Carriers, said. He said that when Frankland started working in the late 1960s, the term "day care" was unknown. "She's put up with so much... she is special."

As a single mother, she had three small boys when she started her career, the youngest just 5 months old. She didn't have any other choice but to work to pay her bills.

"It was a hard job.... The first six months were the worst," Frankland said about delivering mail in the East Mill Creek area during the harsh winter in 1968-69. Being just 5 feet tall posed some special challenges, too.

"Walking in butt-high snow, it was so exhausting," she said.

She spent the next four years working between the Sugar House and Northwest stations. Then in 1981 she went to work at the Main Office and has been there since. Born in California and raised in Salt Lake City, she went to West High School.

Frankland received a mixed reaction from the men she worked with.

Some were very hostile, taking the attitude that it was a man's job. Some were very supportive and helpful, though.

She met her future husband, John, when she went out to help him on his route. (That was another first as they became Salt Lake's first married letter carrier couple.)

It took many years for people to get used to the idea of women in the work force as letter carriers. In fact, it was 10 years later before the second "career" woman letter carrier came along in Salt Lake. Other women were hired, but until 1978, none except Frankland stayed with it.

Today, 25 percent of all letter carriers nationally are women, 20 percent in Utah.



Barrie Frankland, who was a single mother with three children 32 years ago, gets a hug from fellow mail carrier Bob Barela.

In 1975 Frankland was on the advisory board for Postal Life Magazine for a year. While she was still in Sugar House she was asked to be a shop steward.

She had to take a few years off being the steward so she could attend school functions. But when her three boys finished high school, she resumed her position as shop steward, a position she held until retirement. She is also a Branch 111 trustee and secretary of the Utah Association of Letter Carriers.

She was chosen to be an employee involvement facilitator for the union in 1987. She held that

position for three years. She then went back to her position as a letter carrier at the Main Office. In 1998, she received a letter carrier of the year award for Salt Lake.

It took 20 years of service before she got what she considers one of the premier mail delivery jobs — to the businesses in the Pioneer Road area.

She had one vehicle accident more than 30 years ago, but has now gone 1 million work miles and 30 years without an accident — a rarity in a job where travel is the mainstay.

Her mother, Lillian Barrett, describes her as a "gutsy girl" who

didn't have a choice but to be a working mother.

"I was very surprised," she said, when he daughter became a letter carrier.

"It's not the job I would have picked, but it has been satisfying," Frankland said.

She now plans to do lots of golfing, gardening and traveling. Frankland would also like a manicure, something that's pointless to have as an active letter carrier.

She's also an Elvis Presley fan, and a colleague dressed up as Elvis at her retirement party.

E-MAIL: lynn@desnews.com

U.S. Postal Service is dying

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By Carolyn Lochhead
San Francisco Chronicle

Your blue-uniformed mail carrier still arrives at your door six days a week, dropping off bills, magazines, catalogs, credit-card solicitations, Social Security checks, store fliers and even the occasional letter or postcard.

So you might not know that the U.S. Postal Service — employer of 900,000, friend of senior citizen, foe of dog, bearer of the mail through rain, sleet, snow and dark of blackout — is dying.

A little-noticed consensus has emerged that the Postal Service is in a "death spiral" of falling mail volume, rising costs and rate increases that spur more volume declines.

As Board of Governors vice chairman David Fineman delicately told Congress, "Unfortunately, it appears we may have turned a corner into a more perilous environment."

The list of postal woes is long, but heading it is the Internet, which is replacing mail with unexpected speed, and its full force hasn't hit yet.

E-mail is supplanting personal and business correspondence. The service projects that half of all bills and payments will soon be sent electronical-

ly. Mail volume from banks alone plummeted 18 percent in three years.

The General Accounting Office says two-thirds of the 880 million Social Security checks, tax refunds and other federal payments sent in 1999 went electronically, as federal agencies face mandates to slash paperwork.

The Postal Service now projects staggering losses of up to \$3 billion this year. The GAO warned that it may reach its \$15 billion statutory debt limit by the end of next year.

The Postal Service "might be nearing the end of an era," the GAO said. "It is not clear how the service will address its mounting financial difficulties and other challenges."

In an effort to cut costs and raise productivity — which GAO said the Postal Service has repeatedly proven itself unable to do — the Postal Service has threatened to nix its sacrosanct Saturday delivery and shutter thousands of small post offices around the country.

These wildly unpopular moves are dismissed as a "let's close the Washington Monument" ploy to build sympathy for another 15 percent rate filing in July. That's on top of a 10 percent January increase that has left

the magazine, catalog and direct-mail industries apoplectic.

"We're talking about people who measure postal rate increases in the millions of dollars, not in pennies," says Robert E. McLean, executive director of the Mailers Council. The next rate increase will cost magazines an extra \$500 million a year, driving away more business and raising the average cost of delivering what's left.

"If they raise rates, particularly the numbers they're looking at, in the end they will be in worse shape sooner," says Nina Link, president of the Magazine Publishers of America. "If you're going to charge customers more, you'll have less customers."

But the post has no incentive to maximize profits because Congress forbids it from making any. Meanwhile, its mailbox monopoly shields it from competition.

Internet or no, the nation needs a way to deliver hard-copy matter to all addresses. European posts have tackled similar problems with creative — and successful — partial privatizations. Otherwise, it's a slow, painful death with declining service and big bailouts along the way.

E-mail Carolyn Lochhead at clochhead@sfchronicle.com.